

Message Text

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PAGE 01 STATE 140794 TOSEC 060075
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TO USDEL SECRETARY IMMEDIATE
AMEMBASSY GEORGETOWN

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USDEL SECRETARY FOR CARTER; GEORGETOWN FOR HABIB

E.O. 11652: NA

TAGS: OPN

SUBJECT: PRESS ITEM

HEREWITH FULL TEXT OF SCOTT ARMSTRONG PIECE FROM
WASHINGTON POST EDITIONS OF FRIDAY, 6/17

BEGIN TEXT

THE CURRENT JUSTICE DEPARTMENT INVESTIGATION OF SOUTH
KOREAN INFLUENCE BUYING IN WASHINGTON DEVELOPED FROM
INFORMATION TURNED OVER IN LATE 1975 BY PHILIP C. HABIB,
THEN ASSISTANT SECRETARY FOR EAST ASIA AND PACIFIC AFFAIRS,
ACCORDING TO SOURCES CLOSE TO THE INVESTIGATION.

HABIB, WHO WAS US AMBASSADOR TO SOUTH KOREA FROM 1971
TO 1974, HAS RECENTLY BEEN THE SUBJECT OF A CAMPAIGN OF
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ANONYMOUS LETTERS TO JOURNALISTS, CARTER ADMINISTRATION
OFFICIALS AND BOTH JUSTICE DEPARTMENT AND CONGRESSIONAL
INVESTIGATORS CHARGING THAT HE ENCOURAGED AND LATER COVERED
UP THE SOUTH KOREAN PLAN TO INFLUENCE US OFFICIALS WITH
CASH AND GIFTS.

HOWEVER, IN OCTOBER, 1975, HABIB BROUGHT DIRECTLY TO THE

ATTENTION OF HIGH-RANKING JUSTICE DEPT OFFICIALS INFORMATION ABOUT SOUTH KOREAN LOBBYING ACTIVITIES THAT WAS MORE DETAILED AND CONCRETE THAN EARLIER, UNCONFIRMED INTELLIGENCE REPORTS.

AT THAT TIME, THE JUSTICE DEPT'S FOREIGN AGENT REGISTRATION ACT SECTION WAS CONDUCTING AN INVESTIGATION OF SOUTH KOREAN BUSINESSMAN TONGSUN PARK HAD BEEN BEGUN THE PREVIOUS FEBRUARY AFTER LOBBYIST WILLIAM TIMMONS ASKED THE JUSTICE DEPT WHETHER HE WAS REQUIRED TO REGISTER UNDER THE ACT IF HE REPRESENTED PARK.

THIS INVESTIGATION OF PARK HAD PROGRESSED TO THE POINT WHERE JUSTICE LAWYERS WERE PREPARED TO SEEK INDICTMENTS

HABIB'S NEW INFORMATION, THE CONTENT OF WHICH HAS NOT BEEN DISCLOSED, WAS TURNED OVER TO THE NEW PUBLIC INTEGRITY SECTION OF THE JUSTICE DEPT, WHICH BEGAN THE INVESTIGATION THAT PRODUCED ALLEGATIONS THAT PARK GAVE CASH AND GIFTS TO US CONGRESSMEN ON BEHALF OF SOUTH KOREA. THE FOREIGN AGENT REGISTRATION CASE WAS LATER TRANSFERRED TO THE PUBLIC INTEGRITY SECTION.

ACCORDING TO US INTELLIGENCE SOURCES, IN OCTOBER, 1975, WHEN HABIB OFFERED THE NEW INFORMATION TO THE JUSTICE DEPT, THE SOUTH KOREAN GOVT HAD BEGUN REPLACING TONGSUN PARK'S INFLUENCE PEDDLING OPERATION WITH NEW AGENTS OF INFLUENCE. US INTELLIGENCE CABLE TRAFFIC AT THE TIME CONTAINED REPORTS THAT ADDITIONAL US OFFICIALS HAD BEEN UNCLASSIFIED

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IDENTIFIED BY THE SOUTH KOREANS AS POTENTIAL RECIPIENTS OF CASH, THE SOURCES SAID.

SOURCES CLOSE TO THE FEDERAL INVESTIGATION OF THE SOUTH KOREAN INFLUENCE-BUYING SCHEME SAY, CONTRARY TO A RECENT NEW YORK TIMES ACCOUNT, THAT THE JUSTICE DEPT PROBE HAS NOT BEEN EXPANDED TO DETERMINE WHETHER SENIOR US OFFICIALS DELIBERATELY COVERED UP ILLEGAL KOREAN LOBBYING EFFORTS.

HOWEVER, BEGINNING LAST AUTUMN, JOURNALISTS AND FEDERAL OFFICIALS AND INVESTIGATORS RECEIVED ANONYMOUS LETTERS CHARGING THAT HABIB "HAD COMPLETE ACCESS TO ALL US INTELLIGENCE REGARDING KOREA, INCLUDING ACCESS TO TAPES OF CONVERSATIONS IN THE BLUE HOUSE (SOUTH KOREAN PRESIDENTIAL MANSION) WHEN PLANS TO INFLUENCE KEY CONGRESSIONAL FIGURES WERE FORMULATED."

ACCORDING TO THE LETTERS, HABIB "COULD HAVE USED HIS KNOWLEDGE AND INFLUENCE TO KILL THESE PLANS BEFORE THEY

WERE EVER PUT INTO OPERATION" BUT NOW PRIVATELY CLAIMS THAT HE "WAS RESTRAINED FROM (REVEALING THEM) BY SECRETARY KISSINGER HIMSELF."

THE LETTER WRITERS ADMITTED THEY HAD "NO DIRECT EVIDENCE THAT HABIB PARTICIPATED PERSONALLY IN PLANNING THE SPECIFIC, CONCRETE STEPS THE SOUTH KOREANS DID TAKE. YET, THROUGH VARIOUS CHANNELS INCLUDING SPECIFICALLY DETAILED INTELLIGENCE REPORTING, IT IS NOW TOTALLY PROVEN THAT HABIB WAS COMPLETELY AWARE OF EVERY STEP THE SOUTH KOREANS WERE TAKING."

THE WASHINGTON POST HAS FOUND FROM SEVERAL SOURCES THAT INTELLIGENCE REPORTS BETWEEN 1969 AND 1974 DID TOUCH ON VARIOUS QUESTIONABLE SOUTH KOREAN ACTIVITIES.

THE CENTRAL INTELLIGENCE AGENCY STATION IN SEOUL, FOR EX-UNCLASSIFIED

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AMPLE, REPORTED TO CIA HEADQUARTERS HERE IN WASHINGTON THAT SUZI PARK THOMSON, A SECRETARY TO THEN SPEAKER OF THE HOUSE CARL ALBERT, WAS A SOUTH KOREAN AGENT. HABIB SUBSEQUENTLY OBJECTED TO THOMSON'S PRESENCE AT MEETINGS BETWEEN ALBERT AND AMERICAN OFFICIALS IN SEOUL.

THE CIA STATION IN SEOUL REPORTED TO WASHINGTON THAT ANOTHER CONGRESSIONAL AIDE, KIM KWAN, WHO WORKED FOR BOTH FORMER REPS, CORNELIUS GALLAGHER (D.-N.J.), AND RICHARD T. HANNA (D-CALIF.) WHEN THEY WERE IN THE HOUSE, WAS ALSO WORKING AS AN AGENT IN THE SOUTH KOREAN GOVERNMENT. WILLIAM PORTER, HABIB'S PREDECESSOR AS U. S. AMBASSADOR TO SOUTH KOREA, REPORTEDLY OBJECTED KIM'S ACCOMPANYING U. S. CONGRESSMEN TO SOUTH KOREA IN 1969.

STATE DEPARTMENT OFFICIALS IN SEOUL ALSO COMPLAINED TO WASHINGTON ABOUT THE INTERVENTION OF HANNA AND FORMER REP. OTTO PASSMAN (D.LA.) IN U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (AID) BUSINESS IN SEOUL.

THE CIA STATION IN SEOUL REPORTED ON AT LEAST FIVE SEPARATE OCCASIONS TO WASHINGTON THAT VARIOUS CONGRESSMEN HAD BEEN TARGETED TO RECEIVE CASH FROM SOUTH KOREAN AGENTS AND HAD ACTUALLY ACCEPTED IT, ACCORDING TO INFORMATION FROM CIA INFORMANTS WITHIN THE SOUTH KOREAN CENTRAL INTELLIGENCE AGENCY.

THE CIA ALSO REPORTED TO WASHINGTON ON SEVERAL OCCASIONS U.S. CONGRESSMEN WERE AVAILING THEMSELVES OF KOREAN OFFERS OF WOMEN, LUXURIOUS ACCOMMODATIONS, AND ENTERTAINMENT ON VISITS TO SEOUL.

EACH SOURCE CONTACTED BY THE POST NOTED THAT THE INFORMATION AVAILABLE TO HABIB AND OTHERS EMANATED FROM UNUSUALLY RELIABLE SOURCES, INCLUDING HIGH-RANKING KOREAN OFFICIALS AND ELECTRONIC INTERCEPTS OF SOUTH KOREAN CABLE
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TRAFFIC AND CONVERSATIONS, BUT HAD NO INDEPENDENT CORROBORATION.

MUCH OF THE INFORMATION WAS APPARENTLY HELD CLOSELY BY A VERY SMALL GROUP WITHIN THE CIA, STATE DEPARTMENT AND NATIONAL SECURITY COUNCIL, THE SOURCES SAID. MUCH OF THE INTELLIGENCE TRAFFIC WAS PURPOSELY ROUTED AROUND THE KOREAN DESKS OF THE CIA AND STATE DEPARTMENT, ACCORDING TO THE SOURCES.

STATE DEPARTMENT AND CIA OFFICIALS CONTACTED ABOUT THE ANONYMOUS LETTERS MAKING CHARGES AGAINST HABIB BELIEVE THEY WERE WRITTEN BY A KNOWLEDGEABLE SOURCE WITHIN EITHER THE STATE DEPARTMENT OR THE CIA. HOWEVER, ALL THE OFFICIALS CONTACTED SAID THEY KNOW OF NO SUBSTANTIATION FOR THE ALLEGATIONS AND SUGGEST THAT THE WRITER'S PRINCIPAL MOTIVATION IS PROBABLY POLITICAL.

SOURCES IN KOREA DURING HABIB'S TENURE GENERALLY CREDIT HIM WITH OBJECTING TO THE HEAVY-HANDED TACTICS OF TONGSUN PARK WITH BANNING PARK AND SEVERAL OTHER KCIA PERSONNEL FROM THE U.S. EMBASSY IN SEOUL, AND WITH VIGOROUSLY OBJECTING TO SOUTH KOREAN OFFERS OF CASH TO A WHITE HOUSE AIDE AND OTHER U.S. OFFICIALS VISITING SEOUL. END TEXT.

CHRISTOPHER

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